

## Hypotheticals Presented

BigCo is a multinational manufacturer. It has a 60% worldwide market share in the stapler market and a 15% worldwide market share in the file folder market. BigCo is entering the felt tip marker market. Market shares are similar at the regional level in the U.S. and Europe.

Scenario: The General Counsel of BigCo has called a weekly staff meeting. During the meeting, the staff reports on several developments from their clients/business groups:

- SITUATION 1: BigCo wants to implement a loyalty program in the U.S., which would offer preferential rebates to those resellers whose sales of BigCo products are at least 30% of their total sales of staplers.
  - Different answer for file folders?
- SITUATION 2: The file folder business team is exploring ways to grow their sales. They have come up with three different ideas:
  - First, they are thinking of going to the stapler team and getting them to agree to allow our resellers to have access to BigCo's staplers only if they also resell BigCo's file folders.
  - Offering better pricing on staplers to resellers that buy file folders.
  - Selling a bundle containing staplers and file folders at a better price than the products could be purchased individually.
- SITUATION 3: BigCo. is facing a competitive threat from SmallCo in staplers, so BigCo wants to amend its distribution contracts to prohibit its resellers from carrying a competitor's products.
- SITUATION 4: BigCo is expanding across the U.S., into Canada and the U.K. In order to attract customers and obtain market share for felt tip markers, BigCo wants to adopt a strategy of matching the prices of the incumbent in any particular market. As a result, BigCo's prices vary significantly across markets and in some cases are below cost.